

1922.
NEW ZEALAND.

PUBLIC WORKS STATEMENT

BY THE HON. J. G. COATES, MINISTER OF PUBLIC WORKS.

MR. SPEAKER,—

The various reports and accounts appended to this Statement will show that the total expenditure on railway, hydro-electric, road, bridge, and irrigation construction works during the past financial year has passed all previous records in the history of the Dominion.

Expenditure of money need not necessarily have a proportionate result in completed works. If the cost of construction, materials, and labour, be high—as it was during the past financial year—it follows that special effort must be made to increase the actual result from such outlay. A heavy expenditure has been incurred in the purchase of up-to-date labour-saving machinery, and this means my Department has been able, despite the relatively high cost of materials and labour, to produce the maximum result possible in the existing circumstances.

The Public Works Statement of last year indicated a policy of concentration on particular works, rather than the diffusion of money and energy on many works. Concentration on works of particular importance means the application of all the financial, mechanical, and human resources of a construction Department to the completion of these works so that they may soon become revenue-producing and self-supporting. Diffusion of these resources over a greater number of works inevitably means a lessened reproductive result, and, since interest and sinking fund on unproductive works must be found by the taxpayer, an increased capital cost of such works.

That I was unable to carry into full effect the policy of concentration previously outlined is attributable solely to the effect in this country of the world-wide financial depression, and consequent unemployment. When unemployment became general throughout the Dominion it naturally became a matter of Government policy to assist as far as possible the alleviation of distress. Whatever steps may have been taken in past crises of a similar nature, the Government had no doubt that the true economic remedy was to provide employment in various localities on works of such a nature as would assist in the normal and profitable development of the country. It was accordingly decided to carry on with certain railway-construction works of secondary importance, which in other circumstances would have been closed down for the time being. While, therefore, I regret to have to state that circumstances necessitated a temporary modification of the policy of concentration and maximum achievement, honourable members may rest assured that every pound devoted by the Government to the relief of unemployment has been expended on road and irrigation works of primary importance, and on railway-works of not less than secondary importance.